

Message Text

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TAGS: ETEL, BEXP, VE

SUBJ: TELEPHONE AND TELEX SYSTEMS EXPANSION PLANS

1. MORE DETAILS HAVE RECENTLY BEEN MADE AVAILABLE ABOUT THE 1975-81 NATIONAL TELECOMMUNICATIONS PLAN, WHICH PROVIDES FOR NEW INVESTMENT IN EXCESS OF BS. 5 BILLION.

2. THE PLAN, WHICH IS TO BE IMPLEMENTED BY C.A. NACIONAL TELEFONOS DE VENEZUELA (CANTV), THE NATIONAL TELEPHONE AND TELEX COMPANY, CALLS FOR:

(A) EXPANSION OF THE TELEX NETWORK FROM THE CURRENT LEVEL OF 3,600 SUBSCRIBERS TO 15,800 BY 1981;

(B) AN EXPANSION OF THE TELEPHONE SYSTEM TO HANDLE THE NEEDS OF SLIGHTLY IN EXCESS OF ONE MILLION SUBSCRIBERS, UP FROM THE CURRENT LEVEL OF 433,000 SUBSCIBERS;

(C) PROVISION OF DIRECT-DIAL TELEPHONE SERVICE TO ALL VILLAGES WITH POPULATIONS IN EXCESS OF 1,500;

(D) THE INSTALLATION OF AT LEAST ONE TELEPHONE IN ALL RURAL VILLAGES;

(E) COMPLETION OF THE SUBMARINE CABLE LINKING VENEZUELA WITH SPAIN (THE MICROWAVE LINK BETWEEN VENEZUELA AND COLOMBIA IS COMPLETE ONE YEAR AHEAD OF SCHEDULE).

3. EXPOSITION OF THE CANTV PLAN CONTAINED THE FOLLOWING ADDITIONAL INFORMATION:

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(A) INTERNATIONAL TELEX MESSAGE VOLUME:

INCOMING-971,347

OUTGOING-1,071,475

B) PERCENT OF PROJECTED TELEX SUBSCRIBER DEMAND TO BE SERVED
UPON COMPLETION OF PLAN IMPLEMENTATION-95PERCENT

(C) INTERNATIONAL TELEPHONE MESSAGE VOLUME-INCOMING AND OUT-
GOING: 3 MILLION (VS 1974'S 2.2 MILLION)

(D) ESTIMATED PERCENTAGE OF DEMAND FOR TELEPHONE SERVICE
NOW BEING SERVED-54PERCENT; TO BE SERVED UPON COMPLETION OF THE
IMPLEMENTATION OF THE PLAN: RESIDENTIAL-75PERCENT, COMMERCIAL
-95PERCENT

4. CANTV, WHICH IS GENERALLY CONSIDERED TECHNICALLY COMPETENT
AND A WELL-MANAGED GOVERNMENT-OWNED CORPORATION, REPORTED BS.
85 MILLION PROFIT ON 1975'S BS. 780 MILLION GROSS INCOME.
CANTV MAINTAINS EXTENSIVE LABORATORIES, DESIGN FACILITIES AND
OPERATES A TRAINING SCHOOL WHICH GENERALLY IS CONSIDERED EXCELLENT.
CANTV INTENDS TO INCREASE ITS CAPITAL FROM BS. 1 BILLION TO BS.
1.485 BILLION THROUGH A CONTRIBUTION OF BS. 250 MILLION FROM THE
TREASURY AND THE PUBLIC SALE OF BONDS. SUPPLIER CREDITS
WILL ALSO BE UTILIZED TO FINANCE ITS AMBITIOUS EXPANSION, WHICH
CANTV HOPES TO BE ABLE TO HANDLE WITHOUT THE NECESSITY OF RATE
INCREASES. CANTV INTENDS TO OFFER MORE SERVICES AND TO IN-
STITUTE COST SAVING MEASURES TO GENERATE ADDITIONAL CAPITAL
RESOURCES.

5. CANTV IS PROMOTING THE MANUFACTURE OF TELEPHONE SETS/
AND EXCHANGE EQUIPMENT. HOWEVER, A CONSIDERABLE QUANTITY AND
VARIETY OF EQUIPMENT WILL HAVE TO COME FROM ABROAD, AND SUPP-
LIERS SHOULD BE ALERT TO THESE OPPORTUNITIES; HOWEVER, CANTV
INFORMED THE EMBASSY THAT EQUIPMENT AND SUPPLY MANUFACTURERS
SHOULD BE DISCOURAGED FROM APPROACHING CANTV DIRECTLY. THEY
RECOMMEND THAT INTERESTED FIRMS WORK THROUGH LOCAL AGENTS
AND DISTRIBUTORS. CANTV NORMALLY DOES NOT ISSUE PUBLIC TENDERS
BUT RATHER ALLOCATES ITS PURCHASE AMONG APPROVED SUPPLIERS.
IT SHOULD ALSO BE NOTED THAT FOREIGN MANUFACTURERS WITH LOCAL
SUBSIDIARIES RECEIVE PREFERENTIAL CONSIDERATION ON CANTV CONTRACT
AWARD DECISIONS.
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